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Letter dated 16 June 2017 from the Chargé d'affaires a.i. of the Permanent Mission of Turkmenistan to the United Nations addressed to the Secretary-General

I have the honour to transmit to you herewith the outcome document of the Ashgabat International Energy Charter Forum entitled "Towards a multilateral framework agreement on transit of energy resources", held on 30 and 31 May 2017 in Ashgabat, under the chairmanship of Turkmenistan (see annex).

I should be grateful if you would kindly circulate the present letter and its annex as a document of the General Assembly, under agenda item 19.

(*Signed*) Rovshen **Annaberdiyev**
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Annex to the letter dated 16 June 2017 from the Chargé d'affaires a.i. of the Permanent Mission of Turkmenistan to the United Nations addressed to the Secretary-General

[Original: Russian]

Outcome document of the Ashgabat International Energy Charter Forum, entitled "Towards a multilateral framework agreement on the transit of energy resources", under the chairmanship of Turkmenistan

The Ashgabat International Energy Charter Forum, entitled "Towards a multilateral framework agreement on the transit of energy resources", was held jointly by the Government of Turkmenistan and the secretariat of the International Energy Charter, under the chairmanship of Turkmenistan, as part of the International Energy Charter Conference on 30 and 31 May 2017. The Forum was attended by more than 80 participants, including ministers, high-level officials and leading experts from States members and observers of the International Energy Charter, international energy and financial organizations, energy companies and research institutions.

The subsidiary bodies of the Energy Charter Conference, chaired this year by Turkmenistan, are currently working towards developing the conditions for starting negotiations on a multilateral framework agreement on the transit of energy resources. In particular, the main task this year is to identify specific issues and challenges relating to transit, and to develop possible alternative solutions reflecting the needs of States members of the Energy Charter.

The current Forum, like the previous international expert meetings on reliable and stable energy transit held in Ashgabat (December 2014), Brussels (April 2015), Beijing (November 2015) and Tirana (July 2016), facilitated discussions on transportation and transit issues in a broad geographical context, and took into account the positions of various producer, consumer and transit countries.

During the Forum, the transit and cross-border transportation of energy resources, including natural gas, oil products and electricity, were discussed. Representatives of countries and international organizations noted the importance of international energy cooperation in order to achieve global energy security and the Sustainable Development Goals. It was pointed out that energy transit, which necessarily includes transportation and conditions for access to infrastructure, was one of the most important elements in the entire interconnected chain of supplying energy resources to international markets.

The trade, transportation and transit of natural and liquefied gas, oil and electricity were addressed at separate sessions of the Forum and the complexity of ensuring the security of energy transit was highlighted in view of the need for clear and consistent principles of multilateral cooperation among participants, who often pursue their own very specific interests. Energy-importing countries depend on foreign resources and are therefore strongly interested in continuous supplies of energy products to their borders to ensure the proper functioning of their national economies, whereas energy-exporting countries and their companies place great emphasis on the stability of markets as their income is derived from foreign trade. Ultimately, all countries are interested in minimizing transit risks to ensure their own security.

The importance of transit in the context of global energy security has already been addressed in United Nations General Assembly resolution 67/263, entitled "Reliable and stable transit of energy and its role in ensuring sustainable development and international cooperation", which was developed at the initiative of Turkmenistan and adopted by consensus on 17 May 2013. Nevertheless, there is still a need to develop multilateral legal instruments providing uniform principles and rules that govern relations among energy-producing, transit and consuming States. One potential instrument for international trade in energy resources currently being developed through the Energy Charter process, under the chairmanship of Turkmenistan, is a multilateral framework agreement on the transit of energy resources.

The participants in the Forum noted that there were issues related to the practical feasibility of investments, non-discriminatory access to infrastructure, and general pricing principles using existing infrastructure. The creation of an international legally binding transit regime for the cross-border transportation of natural gas, electricity and oil is a complex task. It was emphasized that the development of a single legally binding instrument on transit depended on the political will of States members of the International Energy Charter.

For its part, the Government of Turkmenistan will submit a report to the General Assembly on the energy transit work being undertaken in conjunction with the International Energy Charter pursuant to the General Assembly resolution 67/263. Moreover, as the Chair of the Energy Charter Conference in 2017, Turkmenistan calls on the sponsors of this resolution to join the Energy Charter process by signing a political declaration, namely the International Energy Charter, with a view to fully participating in the development of uniform energy transit principles and rules.

Today the Energy Charter Treaty is a unique legally binding instrument regulating energy transit, as reflected in the 2014 report of the Secretary-General of the United Nations entitled "Reliable and stable transit of energy and its role in ensuring sustainable development and international cooperation" (A/69/309). Signing the International Energy Charter that currently unites over 80 countries worldwide is the first step towards acceding to the Treaty, which aims to strengthen legal norms in the energy sector by applying uniform and binding rules for all participants and minimizing the risks associated with investments and the energy trade.

Geographical expansion of the Energy Charter, in a rapidly changing energy landscape, will allow existing and new members to define the principles of global interaction in the energy sector, including the transit issues on the agenda. In that connection, we call on the United Nations regional commissions and international energy and financial organizations, in view of their experience, to participate actively in the practical work of drafting a multilateral framework agreement on the transit of energy resources, thereby continuing the extensive global dialogue initiated by the General Assembly resolutions adopted in 2008 and 2013 on the reliable and stable transit of energy.

Considering the leading role of the International Energy Charter in the transit of energy, we believe it advisable to hold such meetings on a regular basis in the regional context, with a view to subsequently collating the results of activities in this area.

Participants highly appreciated the efforts of the Government of Turkmenistan and the International Energy Charter to promote a multilateral instrument on the transit of energy resources in order to achieve a balance of interests among exporting, consumer and transit countries. They also expressed their gratitude to the

Government and personally to the President of Turkmenistan, Gurbanguly Berdimuhamedov, for the support provided for the convening of the Ashgabat International Energy Charter Forum. It was also noted that the participants looked forward to the conclusions being incorporated in the political declaration to be adopted following the twenty-eighth session of the Energy Charter Conference in Ashgabat on 28 and 29 November 2017.